

BUSINESS MEETING  
BEFORE THE  
CALIFORNIA ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

CALIFORNIA ENERGY COMMISSION  
HEARING ROOM A  
1516 NINTH STREET  
SACRAMENTO, CALIFORNIA

MONDAY, JUNE 25, 2001

9:08 A.M.

Reported by:  
Valorie Phillips  
Contract No. 150-99-002

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMISSIONERS PRESENT

William Keese, Chairman

Michal Moore

Robert Pernell

Arthur Rosenfeld

STAFF PRESENT

Steve Larson

Jonathan Blees

Chris Huntley

PUBLIC ADVISER

Roberta Mendonca

ALSO PRESENT

Jeffrey Harris, Attorney  
Ellison, Schneider and Harris

Bryan J. Bertacchi, Vice President  
Brian McDonald, Manager  
Calpine Corporation

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1 P R O C E E D I N G S

2 9:08 a.m.

3 CHAIRMAN KEESE: I call this special  
4 meeting of the Energy Commission to order.  
5 Commissioner Moore, would you lead us the pledge.

6 COMMISSIONER MOORE: Happy to.

7 (Whereupon, the Pledge of Allegiance was  
8 recited in unison.)

9 CHAIRMAN KEESE: Thank you. With  
10 Commission meetings on four out of six days it  
11 feels like we're just recessing --

12 (Laughter.)

13 CHAIRMAN KEESE: -- and coming back in  
14 here.

15 Item 1 on the calendar today, Lancaster  
16 Energy Facility, is moved to our July 5th special  
17 business meeting. I bring that to people's  
18 attention. That may be a phone-in meeting for  
19 some.

20 COMMISSIONER MOORE: Okay, understand,  
21 but I was just talking to the Hearing Officer and  
22 my understanding is that the documents will be  
23 ready and I'll be coordinating.

24 CHAIRMAN KEESE: And you will be here on  
25 the 5th?

1                   COMMISSIONER MOORE: I will. I'll make  
2 those changes, I will be here.

3                   CHAIRMAN KEESE: Okay. Item 2, Calpine  
4 King City. Possible approval of an amendment to  
5 move the location of this emergency peaking  
6 facility from the site originally certified to an  
7 adjacent parcel.

8                   COMMISSIONER MOORE: Mr. Chairman,  
9 originally we had conducted the hearings in King  
10 City. And I believe that we had concurrence with  
11 the City and with the applicant to all the  
12 conditions. And I was prepared to recommend for  
13 an approval, but the project ran into a problem  
14 with transfer of ownership of the property. And  
15 they had to change plans, go back to the City and  
16 get an approval for a different site.

17                   And with that, perhaps the project  
18 manager can talk about this, and --

19                   MR. HUNTLEY: Good morning.

20                   COMMISSIONER MOORE: -- then we can hear  
21 from the applicant.

22                   MR. HUNTLEY: My name is Chris Huntley  
23 and I'm the Compliance Project Manager on the  
24 Energy Facility.

25                   Staff recommends that the Energy

1 Commission approve the petition filed on the 7th  
2 of June by Calpine to relocate the proposed King  
3 City Energy Project to an adjacent 8.4 acre  
4 parcel.

5 This was primarily the result of lack of  
6 site control on the original facility. There's a  
7 couple modest changes that will take place on the  
8 new facility, including source of water and  
9 discharge, location of linear facilities for  
10 interconnection, and the addition of an on-site  
11 ammonia tank to supply the selective catalytic  
12 reduction devices.

13 Staff conducted a site visit on the 8th  
14 of June, and determined that the conditions at the  
15 proposed site were consistent with the data  
16 provided in the attached amendment. And staff  
17 recommends approval of the amendment to relocate  
18 the facility.

19 CHAIRMAN KEESE: Is there any objection  
20 that you're aware of?

21 MR. HUNTLEY: I haven't heard any  
22 objection. In fact, I spoke to the City of King  
23 on Friday last. They approved the project, and in  
24 fact, will be the property owners of the new  
25 facility -- or the site.

1                   CHAIRMAN KEESE: Thank you. Applicant  
2                   have anything to add?

3                   MR. HARRIS: Just on that same point, on  
4                   June 12th, I think it was, the City Council  
5                   approved the relocation. They also authorized the  
6                   Community Development Agency to enter into what's  
7                   known as a development -- excuse me, a disposition  
8                   of development agreement. That has also been  
9                   approved.

10                  And so King City is very supportive.  
11                  They would have been willing to come today for the  
12                  hearing. We actually asked them not to come just  
13                  because of the drive.

14                  But I think things are moving along very  
15                  well with the City and we're in good shape.

16                  CHAIRMAN KEESE: Thank you. Any  
17                  questions here? Commissioner Moore. Oh,  
18                  Commissioner Pernell's got a question.

19                  COMMISSIONER PERNELL: Well, actually I  
20                  see it right here. This is a -- it's being  
21                  permitted under the 21-day process?

22                  MR. HUNTLEY: Yes, sir.

23                  COMMISSIONER PERNELL: So this change  
24                  will set that back? Or will it stay on schedule?

25                  MR. HUNTLEY: Calpine is committed to

1 meeting the 30 September deadline.

2 MR. HARRIS: In fact, if I could  
3 elaborate a little bit on it, that's the exact  
4 reason for the change.

5 You know, we continued to work on the  
6 original site with both the underlying property  
7 owner and all the lenders and their counsel and  
8 just quickly reached the conclusion that if we  
9 want to meet that deadline the relocation was  
10 necessary.

11 And so that the primary motivation for  
12 the relocation is to be on line as quickly as  
13 possible.

14 COMMISSIONER PERNELL: Thank you.

15 COMMISSIONER MOORE: Mr. Chairman, I  
16 would like to move for approval of the site, as  
17 listed on our special meeting agenda, and that is  
18 project 01-EP-06C, --

19 COMMISSIONER PERNELL: Second.

20 COMMISSIONER MOORE: -- which includes  
21 the amendment petition for the possible approval  
22 to move the location of the emergency peaking  
23 facility.

24 CHAIRMAN KEESE: Motion by Commissioner  
25 Moore; second by Commissioner Pernell. Any



1 further questions?

2 Any member of the public care to comment  
3 on this?

4 All in favor?

5 (Ayes.)

6 CHAIRMAN KEESE: Opposed? Adopted four  
7 to nothing. Thank you.

8 MR. HUNTLEY: Thank you very much.

9 MR. HARRIS: Thank you.

10 CHAIRMAN KEESE: On our way with one  
11 more.

12 Committee and Oversight? Chief  
13 Counsel's report?

14 MR. BLEES: Nothing, sir.

15 CHAIRMAN KEESE: The Executive Director?

16 MR. LARSON: Nothing at this time.

17 CHAIRMAN KEESE: Public Adviser?

18 MS. MENDONCA: Nothing.

19 CHAIRMAN KEESE: Thank you.

20 COMMISSIONER MOORE: Mr. Chairman, --

21 CHAIRMAN KEESE: Any public comment?

22 COMMISSIONER MOORE: Mr. Chairman, I  
23 should have spoken up. Perhaps the public comment  
24 period is the right time to do it.

25 I'd like to formally acknowledge that we

1 will have two of the FERC Commissioners here this  
2 afternoon between 2:30 and 3:00 to conduct a  
3 public meeting, not a hearing, in which they're  
4 going to invite people to comment on gas  
5 conditions within the state, or within the western  
6 region.

7 And they are around doing basically a  
8 tour, introducing themselves to people and just  
9 collecting information. So they'll be here. They  
10 intend to come around and introduce themselves to  
11 each individual Commissioner. I'll have them on  
12 the third floor sometime before 2:30.

13 And they'll be here in charge of their  
14 own meeting starting at 2:30. I will brief them  
15 on the Gas Report, which went out as a Committee  
16 report; not been vetted by the Commission. So,  
17 I'll simply be touching on some of the high points  
18 of the facts that are included in that.

19 I will then turn it over to some of the  
20 Legislative Staff who are coming over from Senator  
21 Burton's Office, and from Senator Sher's Office,  
22 and from the Senate Office of Research. We're  
23 going to talk about the legislative agenda.

24 And then various actors, including some  
25 pipeline representatives; and a storage

1       representative is going to present conditions they  
2       see coming up.

3               And then they're going to open it up to  
4       questions and have a dialogue with people who  
5       might come and talk to them. And then depart for  
6       Washington.

7               So, most of their day is taken up with  
8       meeting with the Governor and various Legislators,  
9       just to introduce themselves. So they're here on  
10      a very informal basis to try and introduce  
11      themselves to the key players in the energy world.

12              CHAIRMAN KEESE: Thank you, --

13              COMMISSIONER PERNELL: Their meeting is  
14      going to be here in Hearing Room A?

15              COMMISSIONER MOORE: It will be in  
16      Hearing Room A starting at 2:30.

17              CHAIRMAN KEESE: Thank you. I look  
18      forward to it should I be available, I will be  
19      meeting with Senator Burton and four of his  
20      dearest closest friends in Senate Rules Committee  
21      on my confirmation at 1:30. So.

22              COMMISSIONER MOORE: I expect that's  
23      going to be a fast turnaround.

24              CHAIRMAN KEESE: We'll be back sometime  
25      here.

1 COMMISSIONER MOORE: Okay.

2 CHAIRMAN KEESE: I did wish to bring to  
3 everybody's attention, including all those members  
4 of the audience who are dearly interested in this,  
5 Wednesday looks like it will be a very full  
6 agenda. So I would plan that we may have to hang  
7 in here. We're coming towards the end of the  
8 month June, as we remember. And those agendas  
9 sometimes get quite lengthy, and I understand it's  
10 going to be, although I haven't seen it yet.

11 So we should be prepared for a longer  
12 meeting than usual on Wednesday.

13 If it looks like we'll have to come back  
14 in the afternoon, I'll try to get word to you  
15 ahead of time. Mr. O'Brien and I will go over the  
16 agenda today.

17 Thank you, meeting adjourned.

18 (Whereupon, at 9:17 a.m., the business  
19 meeting was adjourned.)

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## CERTIFICATE OF REPORTER

I, VALORIE PHILLIPS, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Meeting; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 30th day of June, 2001.

VALORIE PHILLIPS

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